



Contractor ~~Voluntary~~ Disclosures and the DoD IG Contractor Disclosure Program

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DoD IG Experience

- “Voluntary” Program began circa 1986
- 476 disclosures; \$497 million recovered
- First three years: 30-40 disclosures annually; today, less than 10
- Although not an amnesty program, only 2-3 prosecuted, very early in the program
- None suspended or debarred



FAR Rule Implemented

- Voluntary Disclosure Program became Contractor Disclosure Program
- Effective December 12, 2008
- AT&L December 29, 2008 Letter designating DoD Office of Inspector General as agency IG for DoD contracts
- Disclosures must be in writing – to IG – Copy to Contracting Officer



Contractor Disclosure Program

- Process essentially the same as Voluntary Disclosure Program
- Centralized management; decentralized execution
- Affords contractors a means to report violations
- Facilitates coordinated evaluation of criminal, civil, and administrative actions with stakeholders
- Provides a framework for Government verification, when appropriate
- Ensures prompt resolution



Government Stakeholders:

- DoD OIG
- DCMA
- Services General Counsel
- Services Suspension & Debarment Authority
- Contracting Officer
- Affected Military Department
- DCAA
- Defense Agencies
- Defense Criminal Investigative Organizations
 - AFOSI
 - CID
 - DCIS
 - NCIS
- DOJ Criminal Division (Fraud Section)
- DOJ Civil Division (Commercial Litigation)
- US Attorney Offices



Voluntary Program

- Disclosure and initial inquiry
- Acceptance or rejection
- Execute XYZ Agreement
- Company internal investigation
- Government verification investigation
- Coordination of Remedies
 - Civil, criminal, administrative
- Close with notice to company

New Program

- Disclosure
- Stakeholders triage
- Decision on how to proceed
- Company internal investigation, if appropriate
- Government verification investigation, if appropriate
- Coordination of Remedies
- Close with notice to company



What the Contractor Must Do

- Disclose early
- Disclose online when practical
- If not, Disclose using sample format
 - Format for minimum information needed
- Disclose in an abundance of caution
- Fully cooperate ensuring timely resolution



Matters Disclosed

- Types of Disclosures

- Kickbacks
- Price reduction not extended to the Government
- Contract awarded to a prohibited company
- Representing back to the Government
- Fraudulent SBA 8a certification
- Labor mischarging / false claims for employee labor
- Employee theft of Gov't equipment



What makes for a good disclosure?

- Sufficient information to describe the nature and extent of the offense and the individuals responsible
 - Includes information sufficient to describe the impact on DoD programs



CD Program Initiatives

- Toll Free Number 866 429-8011
- Web-based Disclosures
 - <http://www.dodig.mil>
 - [Click Contractor Disclosure](#)
 - [Click Submit a Contractor Disclosure](#)
- DoD Guide to submitting a Disclosure
- DoD Instruction
- Coordination and Outreach



DoD Contractor Disclosure Program

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